GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2583
ANSWERED ON:08.12.2006
SOLVENCY MARGIN
Madhwaraj Smt. Manorama

Will the Minister of FINANCE be pleased to state:

(a) the extent to which the Life Insurance Corporation (LIC) of India has been able to meet: the Solvency Margin bench-mark set by the Insurance Regulatory & Development Authority (IRDA);

(b) whether the Government proposes to amend the Life Insurance Corporation Act to empower it to build its own reserves to meet Solvency Margin and other liabilities; and

(c) if so, the details thereof;

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): Life Insurance Corporation of India (LIC) has reported that as at 31st March,2006, it has provided solvency margin of 130% against 150% as mandated by the Insurance Regulatory & Development Authority (IRDA).

(b) & (c): LIC has proposed an amendment to the LIC Act, 1956 to enable it to build up reserves.